

Cost of Farm Production Inputs Rise, Fertilizer Leads Increase

U.S. farmers paid more for most of their production inputs in April compared to a year earlier. The prices paid index, at 124, was 4 points higher. Fertilizer input costs, driven by nitrogen, led all cost increases by a wide margin. Of the assessed farm input categories, only building materials and autos and trucks were cheaper than a year ago.

The U.S. April prices paid index for fertilizers, fueled by nitrogen, jumped by 29 points over April 2000. The index for nitrogen increased by a whopping 63 points while potash and phosphate climbed 2 points. U.S. farmers paid \$399 per ton of anhydrous ammonia, \$172 dollars more than April 2000. The North Central Region (IL, IN, IA, MI, MN, MO, OH, and WI) paid \$408 per ton of anhydrous ammonia, \$9 more than the U.S. average. At the U.S. level urea rose \$80 while ammonium nitrate increased \$66 and nitrogen solution (28%) climbed \$79.

The fuel prices paid index crept up 2 points over April of last year. The increase was spurred by a 19.7 cent per gallon price hike for L.P. bulk delivery at the U.S. level. The price, at \$1.16 per gallon, averaged the same for both the U.S. and the Lakes States Region, which includes Minnesota, Michigan, and Wisconsin. The U.S. cost of bulk delivered diesel, at \$1.08 per gallon, stayed the same while bulk delivered unleaded gasoline, at \$1.47 per gallon, dropped 1 cent. The Lakes States Region paid 7 cents more per gallon than the U.S. average for diesel and 1 cent more per gallon for bulk delivery of unleaded gasoline.

The index of prices paid for feed moved 4 points ahead of last April. Complete feeds, concentrates and supplements all cost more while feed grain prices dropped. Dairy feed (16% protein) cost \$9 more per ton than last April while hog feed (14 to 18% protein) increased \$12 per ton. Soybean meal (44%) cost 40

Prices Paid					
Commodity	Unit	United States			Lake States 1/
		April 1999	April 2000	April 2001	April 2001
		Dollars			Dollars
Soybean meal, 44% protein	Cwt.	12.20	13.00	13.40	11.00
Corn meal	Cwt.	7.54	7.67	7.59	5.82
Dairy feed, 16% protein	Ton	180.00	175.00	184.00	184.00
Gasoline, service station unleaded 2/	Gal.	1.100	1.470	1.430	1.440
Diesel fuel, bulk delivery 3/	Gal.	0.728	1.080	1.080	1.150
L.P. gas, bulk delivery 3/	Gal.	0.699	0.963	1.160	1.160
Index 4/ (1990-92=100)	Pct.	115	119	124	n.a.

1/Lake States: MI, MN, WI. 2/Includes state road taxes.3/Excludes state road taxes. 4/Index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. N.a. = not available. Source: Wisconsin Agricultural Statistics Service

cents more per cwt.

Farmers paid more for new farm machinery as shown by the 5 point index rise over April 2000. Grain press drills with 23-25 openings, at \$18,500, cost \$1,000 more. Eight row planters with a fertilizer attachment, at \$28,800, cost \$1,900 more. U.S. farmers paid \$23,000 for round balers producing 1,900 to 2,200 lb bales, \$800 cheaper than a year earlier.

Agricultural chemicals cost more in April compared to a year earlier, as shown by the 2 point index increase. The index moved up 1 point for herbicides and 2 points for insecticides, and fungicides and herbicides paid by farmers, Interest, Taxes and Wage Rates and Related Data, United States, April 2001

Index and ratios	1990-92 = 100		
	April 2001	Difference from	
		April 2000	Jan. 2001
Prices paid by farmers for commodities & services, interest, taxes, and wage rates	124	5	0
Production	120	4	0
Feed	106	4	-3
Livestock and poultry	112	0	1
Seed	134	9	10
Fertilizer	135	29	1
Agricultural chemicals	121	2	-6
Fuels	127	2	-16
Farm supplies and repairs	126	2	0
Autos and trucks	118	-2	-2
Farm machinery	143	5	6
Building materials	121	-1	1
Farm services	119	2	0
Rent	114	1	0
Interest 1/	116	4	0
Taxes 2/	123	0	0
Wage rates	149	9	0
Production, interest, taxes & wage rates	122	4	-1
Family living-CPI 3/	131	4	1

1/ Interest per acre on farm real estate debt and interest rate on farm non-real estate debt. 2/ Farm real estate taxes, payable per acre. 3/Bureau of Labor Statistics, Consumer Price Index for all urban consumers (CPI-U), for the previous month converted by USDA. Source: Wisconsin Agricultural Statistics Service

Index Numbers of Prices Received by Farmers, United States, April 2001			
Index and ratios	1990-92 = 100		
	April 2001	Difference from	
		April 2000	Jan. 2001
All farm products	107	7	10
All crops	106	4	12
Food grains	91	6	-2
Feed grains and hay	90	-1	1
Cotton	72	-3	-14
Tobacco	79	-11	-39
Oil-bearing crops	75	-14	-9
Fruit and nuts	140	42	49
Commercial vegetables	133	-3	13
Potatoes and dry beans	92	-14	14
Other crops	108	0	0
Livestock and products	109	11	9
Meat animals	104	5	7
Dairy products	110	19	9
Poultry and eggs	116	10	11
Food commodities	110	9	13

Source: Wisconsin Agricultural Statistics Service